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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS

5 AND INTERFERENCES

6

7

8 *Ex parte* JAMES T. PANTAJA, TIMOTHY J.O. CATLIN, CASSANDRA

9 WEI-CHUN LEE, and FRED A. KILBY

10

11

12 Appeal 2009-000701

13 Application 09/932,588

14 Technology Center 3600

15

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17 Decided:¹ June 25, 2009

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19

20 *Before* MURRIEL E. CRAWFORD, ANTON W. FETTING, and JOSEPH

21 A. FISCHETTI, *Administrative Patent Judges*.

22

23 CRAWFORD, *Administrative Patent Judge*.

24

25

26

27 DECISION ON APPEAL

28

29 STATEMENT OF THE CASE

¹ The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

1 Appellants appeal under 35 U.S.C. § 134 (2002) from a final rejection
2 of claims 1 to 8, 11 to 15 and 17 to 19. We have jurisdiction under 35
3 U.S.C. § 6(b) (2002).

4 Appellants invented a method for determining which awards to
5 redeem including the step of determining encumbrance levels of allowed
6 awards based on the types of allowed awards and the data in an
7 encumbrance database (Specification 2).

8 Claim 1 under appeal reads as follows:

9 1. A method in a redemption system for
10 determining which awards to redeem, the method
11 comprising:

12 maintaining an award history database that
13 includes award transaction information that
14 describes awards earned by a consumer and, for
15 each earned award, the type of award;

16 maintaining an encumbrance database that
17 describes types of awards that cannot be redeemed
18 at one or more suppliers;

19 receiving a request to redeem an amount of
20 the earned awards at a chosen supplier;

21 determining allowed awards that can be
22 redeemed with the chosen supplier;

23 determining encumbrance levels of the
24 allowed awards based on the types of allowed
25 awards and the data in the encumbrance database;
26 and

27 determining which of the allowed awards,
28 having different encumbrance levels, to redeem
29 based on the encumbrance levels.

1 The prior art relied upon by the Examiner in rejecting the claims on
2 appeal is:

3 Ikeda US 5,937,391 Aug. 10, 1999

4 The Examiner rejected claims 1 to 5, 7, 8, 11 to 13, 15 and 17
5 to 19 under 35 U.S.C. § 102(e) as being anticipated by Ikeda.

6 The Examiner rejected claims 6 and 14 under 35 U.S.C. § 103(a) as
7 being unpatentable over Ikeda.

8

ISSUE

10 Have Appellants shown that the Examiner erred in finding that Ikeda
11 discloses the step of determining which of the allowed awards, having
12 different encumbrance levels, to redeem based on the encumbrance levels?

13

FINDINGS OF FACT

15 Appellants' Specification discloses a method in a redemption system
16 for determining which awards to redeem. The method includes the step of
17 determining which awards are available for redemption by determining
18 awards earned by the consumer that have not yet expired. Appellants'
19 method determines which available awards to redeem based on the
20 encumbrance of the award. Figure 3 depicts a data structure for
21 implementing the invention:

300

332	EARNING ID	CONSUMER ID	POINTS	BUSINESS ID	PROMOTION ID	EARN DATE	EXPIRATION DATE
334	1	111	100	2	1	2/1999	1/2002
336	2	111	50	2	2	1/2000	1/2003
338	3	111	50	3	1	1/1999	1/2002
340	4	111	50	4	2	1/1999	1/2002
342	5	111	50	5	1	1/1999	1/2002
	6	111	50	6	1	2/1999	1/2002

FIG. 3

1

2

3 As shown in row 338 of Figure 3, 50 points are awarded to consumer
4 111 by business 4 for promotion 2. As shown in row 340 of Figure 3, 50
5 points are awarded to consumer 111 by business 5 for promotion 1.

6 Figure 4 shows the encumbrance database:

400

410	402	404	406
	SUPPLIER ID	BUSINESS ID	PROMOTION ID
412	200	2	1
414	200	4	2
416	300	3	1
418	400	2	1
418	400	3	1

FIG. 4

7

1 According to Figure 4, the award for promotions 2 for business 4 are not
2 available in connection with supplier 200. Thus the awards corresponding to
3 row 338 are encumbered (Specification 11). The award for promotion 1 for
4 business 5 is not included in the encumbrance database shown in Figure 4
5 and are not encumbered indicating that these awards are available with all
6 suppliers.

7 Appellants do not define the phrase “encumbrance level” in the
8 Specification.

9 Ikeda discloses a method for redemption of awards. Shops A to D and
10 F to H participate in a points or awards program. Shop E does not
11 participate in the points program and as such does not award points for
12 shopping (col. 8, ll. 14 to 16). The points accumulated for a shop in which
13 the customer makes new purchases are processed in redeeming points not
14 points accumulated for other shops (col. 11, ll. 36 to 49).

15

16 PRINCIPLES OF LAW

17 An invention is not patentable under 35 U.S.C. § 103 if it is obvious.
18 *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 427 (2007). The facts
19 underlying an obviousness inquiry include: Under § 103, the scope and
20 content of the prior art are to be determined; differences between the prior
21 art and the claims at issue are to be ascertained; and the level of ordinary
22 skill in the pertinent art resolved. Against this background the obviousness
23 or nonobviousness of the subject matter is determined. In addressing the
24 findings of fact, “[t]he combination of familiar elements according to known

1 methods is likely to be obvious when it does no more than yield predictable
2 results.” *KSR*, 550 U.S. at 416. As explained in *KSR*:

3 If a person of ordinary skill can implement a
4 predictable variation, § 103 likely bars its
5 patentability. For the same reason, if a technique
6 has been used to improve one device, and a person
7 of ordinary skill in the art would recognize that it
8 would improve similar devices in the same way,
9 using the technique is obvious unless its actual
10 application is beyond his or her skill. *Sakraida*
11 and *Anderson's-Black Rock* are illustrative—a court
12 must ask whether the improvement is more than
13 the predictable use of prior art elements according
14 to their established functions.

15 *KSR* at 417.

16 A prior art reference is analyzed from the vantage point of all that it
17 teaches one of ordinary skill in the art. *In re Lemelson*, 397 F.2d 1006, 1009
18 (1968) (“The use of patents as references is not limited to what the patentees
19 describe as their own inventions or to the problems with which they are
20 concerned. They are part of the literature of the art, relevant for all they
21 contain.”). Furthermore, “[a] person of ordinary skill is also a person of
22 ordinary creativity, not an automaton.” *KSR* at 421.

23 On appeal, Applicants bear the burden of showing that the Examiner
24 has not established a legally sufficient basis for combining the teachings of
25 the prior art. Applicants may sustain its burden by showing that where the
26 Examiner relies on a combination of disclosures, the Examiner failed to

1 provide sufficient evidence to show that one having ordinary skill in the art
2 would have done what Applicants did. *United States v. Adams*, 383 U.S. 39,
3 52 (1966).

4

5 ANALYSIS

6 We are not persuaded of error on the part of the Examiner by
7 Appellants' argument that Ikeda does not disclose the step of determining
8 which of the allowed awards, having different encumbrance levels, to
9 redeem based on the encumbrance levels. Appellant's Specification does
10 not specifically define the phrase "encumbrance level." The Appellants
11 have directed our attention to page 13, lines 11 to 12 of the Specification for
12 a teaching that the encumbrance level is based on the restriction on
13 redeeming the awards at certain suppliers (App. Br. 2). This portion of the
14 Specification discloses that the encumbrance awards are measured in terms
15 of restrictions on redeeming the awards at certain suppliers and that awards
16 are encumbered if one or more suppliers will not accept them for
17 redemption. There is no discussion regarding encumbrance levels. To the
18 extent the word "level" implies a ranking, such can be based on
19 alphanumeric character identifiers such as supplier names. There is no
20 requirement in Appellants' disclosure that the level is required to be
21 numeric. In Ikeda the awards differ in level at least as to which shop is
22 involved. Thus, an award supplied only by shop A is only redeemable at
23 shop A and thus we agree with the Examiner that shop A awards are a
24 different type and level than awards supplied only by shop B. This
25 interpretation is in accord with the actual recitations in claim 1 that the

1 encumbrance level is determined based on *types* of awards and data in the
2 database. Therefore, we hold that Ikeda does disclose the step of
3 determining which of the allowed awards having different encumbrance
4 levels to redeem based on the encumbrance levels.

5

6 CONCLUSION OF LAW

7 On the record before us, Appellants have not shown that the Examiner
8 erred in rejecting the claims on appeal.

9

10 DECISION

11 The decision of the Examiner is affirmed.

12 No time period for taking any subsequent action in connection with
13 this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

14

15 AFFIRMED

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21 hh

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23 ROTHWELL, FIGG, ERNST & MANBECK, P.C.
24 1425 K STREET, N.W.
25 SUITE 800
26 WASHINGTON, DC 20005
27